



RFP No. 1204-10-LLTDI
GROUP LIFE, DEPENDENT LIFE, AND LONG TERM DISABILITY INSURANCE

December 10, 2009

ADDENDUM #1

TO: All Prospective Offerors

Offerors must take due notice of this Addendum and be governed accordingly.

This addendum must be signed and returned with your Proposal or your Proposal may not be considered.

I. CLARIFICATION:

The summary below clarifies/corrects information in the following Current Plan Design attachments:

Attachment 1A Group Benefits Brochure – Life Insurance

Attachment 1B Group Benefits Brochure – Long Term Disability

**Summary of Current Employee Life Insurance, Dependent Life Insurance,
and Long Term Disability Insurance
for the City of Falls Church Government and the City of Falls Church Schools**

Employee Group Life Insurance

Employees are covered twice their annual salary and rounded up to the next 1,000. The maximum amount of coverage available is \$500,000. Coverage becomes effective the first day of the month following the hire date. If the new employee's hire date is the first day of the month, the coverage becomes effective on that day. Upon retirement, the retiree is covered for \$5,000.

Employee LTD

Employees are covered at 60% of their annual salary. See the booklet for details.

Optional Employee Life Insurance and Dependent Life Insurance

Employees may purchase up to five times their annual salary with a maximum of \$500,000. This amount is in addition to the group life policy. A new employee has 30 days from the date of hire to elect optional life insurance coverage and is guaranteed \$120,000 coverage w/o a medical questionnaire. Amounts over \$120,000 will require approval for coverage. During open season in May, all employees are guaranteed a \$10,000 increase w/o a medical questionnaire.

Spouses may be covered for half of the employee's coverage for a maximum of \$250,000. The spouse has a guarantee of \$50,000 w/o a medical questionnaire during new hire enrollment. No guarantees are offered during open season.

Life Insurance coverage for Children is offered in the amount of \$1,000, \$5,000, or \$10,000. This policy covers all children in the employee's family until age 19, or age 25 for full time students.

II QUESTIONS FROM EMAILS

Q1. Is Falls Church willing to extend the RFP at least 1-2 weeks?

A1. There are no current plans to extend the RFP due date.

Q2. Is an electronic census available in Excel format?

A2. Yes. The excel version is available upon request.

Q3. Please identify what page of the RFP the Statement of Disclaimer is located on. Does it need to be signed?

A3. Delete reference to "Statement of Disclaimer"

- Q4. Regarding the time references listed in the school census job description title, does this mean the amount of time in a year that the person is employed in this capacity?.
- A4. The titles refer to the position's contract number of months per year, however the benefits are covered for the entire year. In other words, teacher 10 months means they actually work for 10 months out of the 12 and their salary reflects that. All of their benefits cover the year (12 months): Retirement counts for the year; health insurance is covered for the year; and life ins is covered for the full year also.
- Q5. Do you have a census for the insured spouses, also?
- A5. Attachment 3D "Opt Life Invoices" includes census information for spouses. For example, on Page 1, line information for "Cert 4" shows the age of the employee (E) as 49 and the spouse (S) as 46 in addition to the coverage and premiums.
- Q6. Proposal Option III asks that retirees be included for Life and LTD. Is including the retirees in the LTD pricing a typo?
- A6. Retirees are only included in the Group Life for a \$5,000 policy.
- Q7. Can you provide gender and date of birth for the retirees?
- A7. See the census
- Q8. Please confirm that there is no reduction schedule for active and retiree life insurance.
- A8. No reduction for active. Upon retirement, the policy is reduced to \$5,000
- Q9. Please confirm that there is spouse and dependent coverage available on a voluntary basis. Is there supplemental life coverage available to the employees on a voluntary basis? If so, please describe the plan design.
- A9. All Optional life insurance for the employee, spouse and child is voluntary. The coverage is explained in the booklet and on the summary sheet
- Q10. Please identify who is full-time and who is part-time.
- A10. See attached File / Exhibit III – "Active Full&Part Time Census". In the file, please note that "PP" stands for Permanent Part Time and "FP" stands for Permanent Full Time employee.
- Q11. For Proposal Option III you ask that all employees and retirees be included for life and LTD. Does all employees mean all full-time and part-time?
- A11. Retirees are only included in Life. Currently they have a \$5,000 policy. You may quote other enhancements. Active employees eligible for life insurance must work a min. of 20 hours/week so both part time and full time would be included as they are now.
- Q12. What is the eligibility for retiree coverage? How much coverage for each? Does it reduce or terminate?
- A12. Retirees: Upon retirement, they have a \$5,000 policy until death. There is no optional coverage available to dependents. They are permitted to convert the coverage they had while active.

All other terms and conditions remain the same. This Addendum is acknowledged and considered a part of the referenced request for proposal:

Name of Firm

Signature

Date